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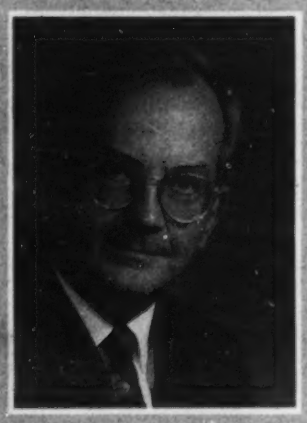
The Newspaper of the Non-Profit World

Vol. IV, No. 22 • September 8, 1992 • $3

What Some Foundation Chiefs Get Paid



Michael S. Joyce
Lynde and Harry Bradley Foundation
$306,091

Thomas W. Lambeth
Z. Smith Reynolds Foundation
$106,000

Steven A. Minter
Cleveland Foundation
$148,000

John M. Mutz
Lilly Endowment
$258,000

Terry T. Saario
Northwest Area Foundation
$154,243

Russell G. Mawby
W. K. Kellogg Foundation
$350,000

Anna Faith Jones
Boston Foundation
$159,038

Harold M. Williams
J. Paul Getty Trust
$509,011

Drew E. Altman
Henry J. Kaiser Family Foundation
$201,390

Douglas Nelson
Annie E. Casey Foundation
$191,201

For salaries at the 100 biggest foundations, see Page 28.

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SUSAN MUNIAK, FOR THE CHRONICLE

New Leader for United Way
Elaine L. Chao (*above*), director of the Peace Corps, is the new president of United Way of America, which has undergone six months of turmoil. Story on Page 19.

Relief Groups Battle Crises
Relief groups are struggling to cope with the effects of two crises: famine in Somalia and Hurricane Andrew in Florida and Louisiana. Stories on Pages 6 and 7.

A complete guide to this issue appears on Page 3.

A Typical Foundation Chief Earns $75,000, but Big Funds Pay Substantially More

By KRISTIN A. GOSS
and JENNIFER MOORE

AMONG THE NATION'S 100 largest foundations, 37 pay their chief executives more than $200,000 in salary and benefits, according to a survey by *The Chronicle*.

Thirteen foundations pay their chiefs more than $300,000; seven pay more than $400,000; and three pay more than $500,000. Only six of the foundations with a full-time paid chief executive pay that person less than $100,000 in total compensation.

The median salary for the top-paid employee, usually the foundation's president or chief executive officer, is $155,000. The median is the point at which half make more and half make less.

By comparison, a survey of 484 foundations of all sizes, released last week by the Council on Foundations, found that the typical president will earn $75,000 this year. But among different types of foun-

Continued on Page 26

WHAT'S IN THIS ISSUE

A guide for the busy reader

Volume IV, Number 22

About Fund Raising

19 United Way of America has named Elaine Chao, director of the Peace Corps, as its new president.

21 A case now being tried in U.S. Tax Court may give some clues about the Internal Revenue Service's plans to crack down on misconduct in fund raising.

22 Rates for "flats"—large-size mail pieces—sent by non-profits will rise next month.

23 Fund raisers continue to debate how deeply they should delve into the backgrounds of potential donors. A new code of ethics for such research doesn't go far enough, say some critics.

22 Independent Charities of America, an on-the-job fund-raising group, posted a 42-per-cent increase in pledges in 1991.

22 The American Cancer Society, which has always relied on small gifts, has established a foundation to seek large donations.

22 The former tennis star Arthur Ashe is seeking to raise $5-million to fight AIDS through a new charity he has created.

22 Nearly 200 writers will give readings this month to raise money for Share Our Strength, a group that fights hunger, homelessness, and illiteracy.

24 Ideas: An airline magazine helps charities raise money; a Georgia library turns overdue-book fines into donated food for the hungry.

11 The Rockefeller family has named a new philanthropic adviser and the Council for Aid to Education, a new president.

22 Interest rates for planned gifts, issued by the Internal Revenue Service.

About Gifts and Giving

6 Charities and foundations are struggling to respond to the needs of thousands of people left destitute in the aftermath of Hurricane Andrew.

7 Recent press attention has stimulated an increase in giving to battle the famine in Somalia, but relief groups say they still have major hurdles to overcome.

11 An alumnus has sued Glassboro State College, challenging its plans to change its name to honor a $100-million donor.

12 The author James Michener has given $15-million to the University of Texas; other recent gifts.

About Volunteers

8 A new organization is encouraging young people to volunteer to aid local charities and, in the process, give kids a greater appreciation of the diversity of their communities.

12 Points of Light 850 to 877 were named by the Bush Administration.

ED PETERS/IMPACT VISUALS

Overcoming obstacles to providing relief for Somalia 7

About Grant Makers

1 The average foundation president makes about $75,000, but much higher salaries are common at the biggest funds.

26 Setting foundation salaries requires a balancing act between the need to compete for talent with the charitable purpose of the institutions.

31 Most large foundations complied willingly with a request for copies of their informational tax returns.

11 Two reports have called on foundations to support research on the environmental impact of such trends as world population growth and free trade.

11 Foundations that make grants to aid women and girls gave some of their money to projects that benefit lesbians, according to a study.

13 Recent grants by foundations, corporations, and other grant makers.

14 Summaries of annual reports from the McKnight, Samuel Roberts Noble, and US West Foundations and the Lila Wallace–Reader's Digest Fund.

Of Special Interest to Board Members

36 **The real lesson of the United Way of America scandal is that the old formula for board leadership needs a complete overhaul, says one expert (My View).**

26 **In setting salaries, foundation trustees must balance competitive pressures in the job market with the charitable nature of their institutions.**

About Managing Non-Profits

25 A public-service announcement has increased donations of used computer equipment to non-profits that help the disabled.

32 The Boy Scouts of America's policy barring homosexuals from membership has drawn support from the Republican Party.

32 Chief executives of health and social-welfare organizations earn an average of $127,300, according to a new survey.

33 Reports on charities by the National Charities Information Bureau.

Also in This Issue

36 **Opinion:** John Carver on the need for a complete overhaul of non-profit boards in the wake of the United Way of America scandal; Craig Kennedy on why philanthropy ought to do something about the federal deficit.

36 **Letters** on selecting a new president of United Way of America, solicitation of private gifts by government agencies, the lessons of closing Action for Children's Television, foundations' treatment of grant seekers, and holding non-profits accountable.

33 **Tax Watch:** A California court upheld a YMCA's property-tax exemption; the IRS and Tax Court ruled on tax-exempt and charity status for three groups; and a couple's tax deduction for a donation was denied.

24 **Books:** Summaries of recent books on philanthropy, fund raising, and non-profit management.

24 **Reading list:** Books on how to raise money and obtain in-kind donations from corporations.

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MANAGING

Governance and Regulation

Typical Foundation Chief Earns $75,000, but Big Funds Pay Much More

Continued from Page 1

dations, salary levels varied enormously. At private foundations with more than $1-billion in assets, for example, the average chief executive's salary is $289,600; at community foundations with less than $10-million in assets, the average chief's salary is $41,500, according to the council.

Except at corporate funds, raises given to foundation presidents did not keep pace with inflation, the survey found.

The *Chronicle* survey, based on informational tax returns, revealed a large gap between what the top 100 foundations paid their most highly compensated officials and their second-ranking employees. That difference was typically about $60,000.

The median amount of benefits for top-paid employees was $20,025.

Among the highest-paid foundation chiefs:

► Howard B. Keck, chairman and chief executive officer of the W. M. Keck Foundation in Los Angeles, received $624,500 from the foundation and a related trust in 1991.

► Harold M. Williams, president of the J. Paul Getty Trust in Santa Monica, Cal., earned $509,011, plus $13,351 for an expense account and other allowances. The trust operates seven arts institutions, including the J. Paul Getty Museum, and gives scholarships in the arts and humanities.

Most big foundations willingly supplied their tax returns: Page 31.

► Franklin A. Thomas, president of the Ford Foundation in New York, earned $457,687, plus $87,568 in benefits and other allowances.

► David A. Hamburg, president of the Carnegie Corporation of New York, earned $400,000, plus $99,497 in benefits. Dr. Hamburg's benefits consisted of contributions to a retirement plan, as well as health, life, major medical, and dental insurance—the same benefits given all Carnegie employees, according to Jeanmarie C. Grisi, the foundation's treasurer.

► William G. Bowen, president of the Andrew W. Mellon Foundation in New York, earned $413,485, plus $30,000 in benefits.

► Thomas W. Langfitt, president of the Pew Charitable Trusts, received $564,214, plus $56,648 in benefits, for his duties last year as president of the board of the trusts and as president of the Glenmede Corporation, which controls a for-profit trust company that manages the Pew funds and money for about 400 clients. About half of Dr. Langfitt's compensation, which included more than $193,000 in Glenmede stock, is for his half-time duties at the Pew trusts, according to Al Piscopo, Glenmede's chief financial officer. Rebecca W. Rimel, the

Setting—and Policing—Foundation Salaries Is Still More Art Than Science

FOR FOUNDATIONS, deciding how much to pay top staff members is far from an exact science—one that can draw both harsh criticism and an impassioned defense, especially when those salaries are high.

For the Internal Revenue Service, deciding whether foundation officials are paid too much is an equally imprecise task.

Foundation officials say they occupy a unique niche: Their jobs are often as complex as those of chief executives of multimillion-dollar corporations, but their domain is a charitable institution subsidized by the public through a tax exemption. That means that trustees who set pay scales must balance market forces that have created stiff competition for talented executives with the foundation's charitable mission to enrich society, not employees.

Many grant seekers—and even some grant makers—grumble about $300,000 and $400,000 salaries paid to the presidents of some of the largest private foundations.

"It's morally outrageous," declares Rita Addessa, executive director of the Philadelphia Lesbian and Gay Task Force.

'You Have to Pay for the People You Want'

"When I look at the non-profit field, my gut reaction is it's too much," says William S. White, chairman and chief executive officer of the Charles Stewart Mott Foundation in Flint, Mich. "But I thoroughly understand why it's done." Mr. White's salary is $225,000 this year.

Given foundations' needs for good stewardship and management, he says, "you have to pay for the people you want. You'd rather have your No. 1 choice in the job than not, and that's how you're going to come out."

Others see foundations' pay scales as a symbolic expression of their guiding philosophy.

"The values of an organization are not determined by what one says but by how one spends money," says Rich Male, executive director of the Community Resource Center, a Denver charity that provides technical assistance to grassroots groups. "If you're a foundation that claims to support grassroots activity and community revitalization and are paying salaries in a market like Denver in excess of $125,000, I think that's excessive, especially when you can get extremely qualified people for a lot less."

But foundation officials defend their wage scales.

"I don't think it's an overpaid field," says Michael S. Joyce, president of the Lynde and Harry Bradley Foundation in Milwaukee, who earned $355,920 in salary and benefits last fiscal year. "I've met a lot of immensely talented people who, were they in the for-profit sphere, would be doing far better in simple financial terms."

Guidance From Consultants and a Survey

A number of factors go into salary decisions: the background and education level of a president, the responsibilities he or she will have, the geographical region in which the foundation is located, the extent to which the foundation official uses his or her professional expertise in the job (as a physician would at a medical foundation), and other job offers that the person might have received.

"People tend to say, 'Isn't it awful, here is charitable money, and here is this huge salary this guy's making,' " says Hale Champion, former chairman of the Henry J. Kaiser Family Foundation. "But they don't take a look at the whole issue of supply and demand."

Many foundations hire an outside consultant to help set pay, and many also get guidance from an annual salary survey conducted by the Council on Foundations. That survey provides detailed salary information for more than 30 common foundation jobs, as well as breakdowns by asset size and geographic location.

Several foundations—including the Koret and Kresge Foundations and the Bradley fund—say they have done their own surveys of local or similar-size foundations to guide them in setting salaries.

Ray P. Foote, Jr., managing partner in the Greenwich, Conn., office of Heidrick & Struggles, an executive-search firm, says that what foundations pay their presidents depends "on the role the foundation sees itself playing, broadly speaking, and the peers among which it wants its president or director or chief executive to be."

"If a foundation sees itself as a leader in the foundation world—like a Rockefeller Foundation or a Ford Foundation, one of the megas—the role they would see that president playing might be a more global role," Mr. Foote says.

He says that more and more foundations are offering housing allowances to lure prospective senior officials.

At Kresge, Alfred H. Taylor, Jr., the foundation's chairman, says that the compensation committee aims to have its officers' salaries fall into the bottom of the highest quartile or the top of the second quartile of salaries paid by other large private foundations. "We do not want to be a leader; we do want to be competitive," he says. "We think that reflects well on this foundation: that we aren't going to be excessive, but we are still going to be able to attract good people."

"Running a five- or six-billion-dollar foundation with several hundred staff people is tough business," says Mr. Taylor, who earned $256,667 last year. "People in the non-profit arena better be compensated appropriately or these organizations won't be well run."

But Mr. Male and others question the standards by which pay is set. "I wonder how the compensation is tied into actual performance," he says. "I wonder how closely the private foundations are scrutinized on the same level that private foundations want nonprofits to be scrutinized."

Little Evidence Found by U.S.

The federal government has looked into the issue of whether foundations pay too much and has found little evidence that they do.

Prompted by Congressional concern about possible profligacy, the Treasury Department in 1985 un-

Continued on Page 30

trusts' full-time executive director, earned $195,862, plus $31,507 in benefits.

The Chronicle's data were taken from the most recent Form 990-PF tax returns, generally for the 1991 fiscal year. The top 100 foundations, as ranked by the Foundation Center, had $78.4-billion in assets and made $2.8-billion in grants. Their individual endowments ranged from $184.8-million to $6.3-billion.

The foundations with the highest chief executive's salary as a percentage of grants paid were the Samuel Roberts Noble Foundation (3.9 per cent), the Sarah Scaife Foundation (2.8 per cent), and the Surdna Foundation (2.7 per cent).

Both the council and *Chronicle* surveys found that chief investment officers typically made more than their counterparts in a foundation's program division. That is because many foundations, particularly those that manage their assets internally, pay their investment officers wages that are competitive with corporate salaries. Some financial officers' salaries are augmented by bonuses based on investment performance.

Differences by Size and Geography

The annual compensation survey by the Council on Foundations was based on salary information provided in February by philanthropies with at least one full-time paid staff member. The foundations in the survey held assets of more than $53-billion and made $3-billion in grants last year.

The survey provides salary information for numerous clerical and professional positions at private, community, and operating foundations, corporate grant makers, and public foundations, such as women's funds, which raise money annually for distribution to charities.

This year's study showed vast differences in the salaries paid by large and small foundations and by grant makers in different geographic regions.

The median salary paid to foundation chief executives rose to $75,000 this year, from $70,600 in 1991, an increase of 2 percentage points after adjusting for inflation. Over the past 12 years, the study showed, salaries paid to presidents of private and corporate foundations increased far more sharply than salaries paid to leaders of community and public foundations. Among the findings:

► Private-foundation presidents had a median salary of $90,000, compared to $87,500 last year—an inflation-adjusted drop of 1.3 per cent. Those who head private foundations with assets of less than $10-million earned an average of $58,100. At foundations with $250-million or more in assets, the average president's salary was $212,900. Even among similar-size institutions, the council found a wide range. For foundations with assets of at least $250-million, for example, presidential salaries ranged from $73,900 to $430,000.

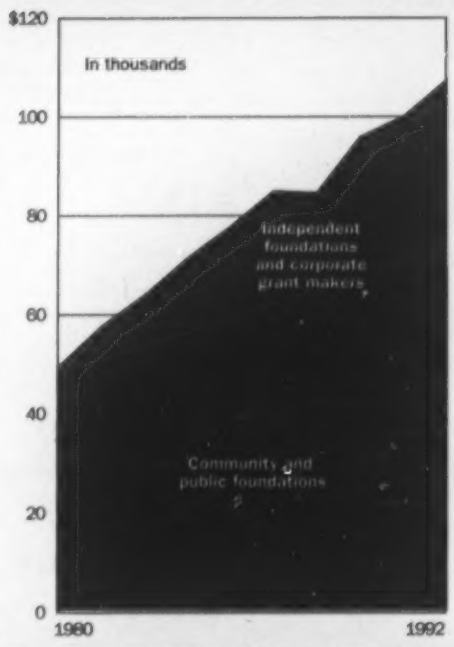
► Corporate-foundation chiefs were the only presidents receiving increases that surpassed the rise in the cost of living. Their median salary was $86,700 in 1992, up from $67,500 the year before, for a 23-per-cent inflation-adjusted increase. The council attributed that rise to the tendency of corporate grant makers' salaries to be tied to corporate pay scales and performance goals. The study found that more than two-thirds of corporate foundations paid performance bonuses to their professional staff members, while just one-fifth of other foundations did so.

► Over all, the study indicated that private and corporate grant makers had fared well since 1980. The average salary for those presidents was $106,000, up from $54,000 12 years ago—an increase of 15.1 per cent after accounting for inflation. The study did not offer

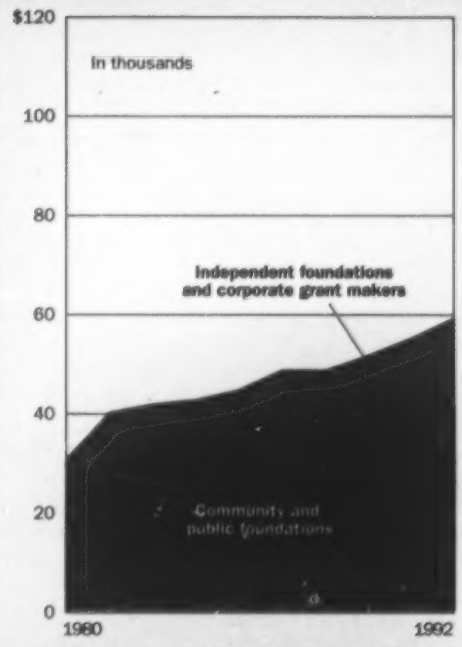
Continued on Page 28

Trends in Foundation Salaries

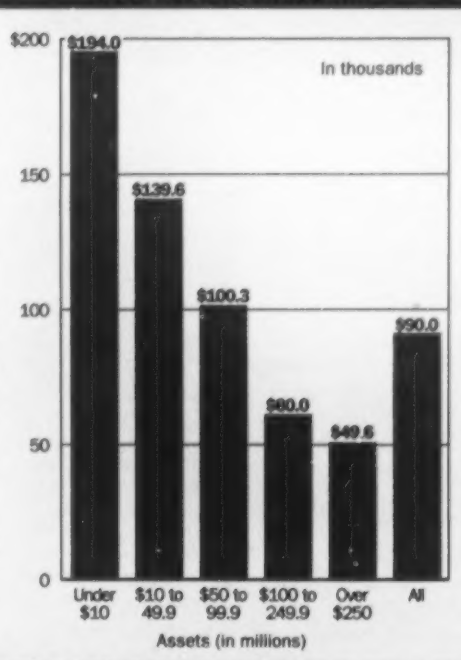
Chief Executive Officers



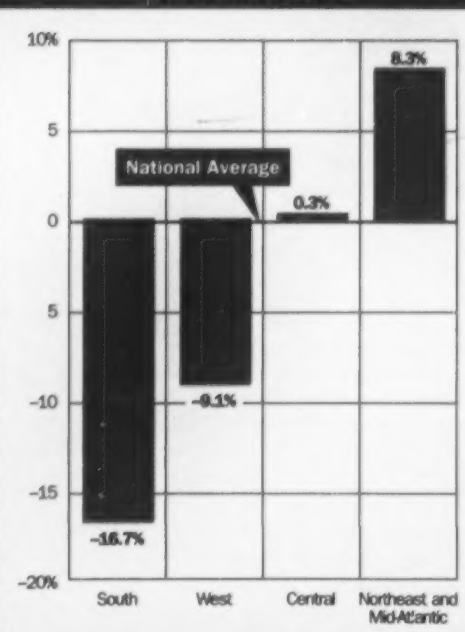
Program Officers



Median Chief Executives' Salaries at Private Foundations



Regional Variations in Salaries for All Positions



Median Salaries

	1991	1992 Current dollars	1992 Adjusted for inflation: Amount	1992 Adjusted for inflation: Change
Community foundations				
Chief executive officers	$52,000	$54,000	$51,800	– 0.4%
Program officers	40,500	38,000	36,500	– 9.9
Corporate foundations				
Chief executive officers	67,500	86,700	83,200	+23.3
Program officers	44,500	40,000	38,400	–13.7
Independent and private operating foundations				
Chief executive officers	87,500	90,000	86,400	– 1.3
Program officers	53,900	56,500	54,200	+ 0.6
Public foundations				
Chief executive officers	72,800	73,300	70,300	– 3.4
Program officers	45,000	47,500	45,600	+ 1.3
All foundations				
Chief executive officers	70,600	75,000	72,000	+ 2.0
Program officers	50,000	53,000	50,900	+ 1.8

CHRONICLE CHART BY JOHO GRAGASIN

What Foundations Pay

Continued from Page 27

separate data for private and corporate salaries over the 12 years.

► Community foundation presidents had a median salary of $54,000, compared to $52,000 in 1991—a slight decrease after inflation. At the 15 largest community foundations—those with assets over $100-million—the median salary was $137,500. The council found salaries that ranged from $75,000 to $225,000 in that group. For community foundations with assets between $10-million and $50-million, the median salary was $60,500, less than half that paid to the heads of the larger funds.

► Public foundations paid their presidents a median salary of $73,300, compared to $72,800 last year, down 3.4 per cent after inflation. Salaries ranged from $30,000 to $215,000. All of those included in the council report had assets of less than $50-million.

► Since 1980, salaries paid to presidents of public and community foundations just edged out inflation. Their average salary was $65,800 this year, compared to $37,500 in 1980—a jump of 3.2 per cent after inflation.

► Foundation chiefs in the Northeast and Middle Atlantic States had the highest average salary—$102,900—while those in the South had the lowest—$76,200. Chief executives in the West earned an average salary of $83,800, while those in the central states earned $89,100. Variations in the cost of living and the local or regional labor market, as well as the uneven geographic distribution of large, well-paying foundations, all are likely to have contributed to the discrepancies.

Not All Get 6-Figure Salaries

Among the top 100 foundations, not all chief executives pulled down six-figure salaries, according to the *Chronicle* survey.

Josephine C. Mandeville, president and chief executive officer of the Connelly Foundation in West Conshohocken, Pa., earned $40,000 last year to oversee a fund with assets of $332-million.

Lyn Wallin Ziegenbein, executive director of the Peter Kiewit Foundation in Omaha, received $77,499, plus $13,791 in benefits, in 1990, the latest year for which information could be obtained.

Other foundation presidents on the lower end of the scale included:

► Edward M. Fjordbak, president of the Communities Foundation of Texas, who earned a salary of $90,271 in the 1991 fiscal year.

► Katherine B. Dobelman, executive director of the Brown Foundation in Houston, who earned a salary of $97,302.

► Norbert Dittrich, executive manager of the Robert A. Welch Foundation, also in Houston, who earned a $97,500 salary.

A good number of the top 100 foundations are run with little, if

PHOTO CREDITS FOR PAGE 1, LEFT TO RIGHT: S. ARTIN MAGO, Z. SMITH REYNOLDS FOUNDATION, DANIEL MILNOR, LILLY ENDOWMENT, STEVE WOIT, W. K. KELLOGG FOUNDATION, BOSTON FOUNDATION, ALAN BERLINER, TIM BERGER, DON HAMERMAN.

Salaries of Top Officials at the 100 Largest Foundations

	Officials	Compensation	Benefits	Assets	End of fiscal year
Ford Foundation (New York)	Franklin A. Thomas, President[1]	$457,687	$67,685	$6,303,711,360	9/30/91
	John W. English, VP and Chief Investment Officer	135,100	68,084		
	Linda Strumpf, Director of Equity Investment	367,625	42,165		
W. K. Kellogg Foundation (Battle Creek, Mich.)	Russell G. Mawby, Chairman	350,000	30,000	5,396,889,094	8/31/91
	Norman A. Brown, President	200,000	30,000		
	Thomas Bruce, Program Director	147,800	21,759		
J. Paul Getty Trust (Santa Monica, Cal.)	Harold M. Williams, President[2]	509,011	0	5,251,845,004	6/30/91
	Joseph Kearns, Vice-President and Treasurer[3]	203,346	20,445		
	Linda Pinkerton, Secretary[4]	116,201	7,240		
Robert Wood Johnson Foundation (Princeton, N.J.)	Sidney F. Wentz, Chairman	275,000	2,075	4,085,941,388	12/31/91
	William C. Imhof, Chief Investment Officer	272,300	574		
	Steven A. Schroeder, President	230,000	886		
Lilly Endowment (Indianapolis)	Thomas H. Lake, Chairman	357,500	65,330	3,592,519,250	12/31/91
	John M. Mutz, President	258,000	36,978		
	William M. Goodwin, Secretary and Treasurer	149,827	29,460		
Pew Charitable Trusts (Philadelphia)	Thomas W. Langfitt, President[5]	564,214	56,648	3,388,154,827	12/31/91
	Rebecca W. Rimel, Executive Director	195,862	31,507		
	Michael Rubinger, Associate Executive Director	130,577	26,426		
John D. and Catherine T. MacArthur Foundation (Chicago)	Adele S. Simmons, President	282,065	67,069	3,197,541,190	12/31/90
	Lawrence L. Landry, Chief Financial Officer	220,538	60,692		
	James T. Griffin, General Counsel	194,838	54,469		
Rockefeller Foundation (New York)	Peter C. Goldmark, Jr., President[6]	377,500	42,411	2,171,548,237	12/31/91
	Kenneth Prewitt, Senior Vice-President	214,060	5,350		
	Hugh B. Price, Vice-President[7]	171,203	29,371		
Andrew W. Mellon Foundation (New York)	William G. Bowen, President	413,485	30,000	2,102,731,094	12/31/91
	T. Dennis Sullivan, Financial Vice-President	302,955	30,000		
	Neil L. Rudenstine, Executive Vice-President[8]	164,964	24,000		
Robert W. Woodruff Foundation (Atlanta)	Charles H. McTier, President[9]	75,750	11,363	1,495,171,323	12/31/91
	P. Russell Hardin, Secretary and Treasurer[10]	50,500	7,575		
	J.W. Jones, Chairman[11]	34,560	0		
Kresge Foundation (Troy, Mich.)	Alfred H. Taylor, Jr., Chairman	256,667	n/a	1,422,418,786	12/31/91
	John E. Marshall, III, President	179,167	n/a		
	Thomas W. Herbert, Treasurer and VP	142,917	n/a		
Annenberg Foundation (St. Davids, Pa.)	Walter H. Annenberg, Chairman	150,000	n/a	1,302,778,581	6/30/91
	Kathleen Jamieson, Dean and Professor	139,853	41,257		
	Peter Clark, Professor	139,630	41,610		
Duke Endowment (Charlotte, N.C.)[12]	Billy G. McCall, Executive Director*	150,000	9,114	1,211,947,564	12/31/91
	Mary D. B. T. Semans, Chairman	112,567	0		
	Hugh M. Chapman, Vice-Chairman	112,567	0		
Charles Stewart Mott Foundation (Flint, Mich.)	Robert E. Swaney, Jr., VP & Chief Investment Officer	289,727	2,000	1,095,762,811	12/31/91
	William S. White, Chairman	202,592	2,000		
	Michael Smith, Investment Manager	166,567	2,000		
DeWitt Wallace–Reader's Digest Fund (New York)	M. Christine DeVita, President[13]	122,550	19,284	1,088,044,858	12/31/91
	Donna V. Dunlop, Program Director*	73,539	14,199		
McKnight Foundation (Minneapolis)	Michael O'Keefe, Executive Vice-President	200,612	27,330	1,067,628,987	12/31/91
	Marilyn Pidany, VP for Administration and Secretary	87,500	10,455		
	Carol Berde, Vice-President for Program	76,400	8,790		
New York Community Trust	Lorie A. Slutsky, President	189,700	n/a	1,030,579,664	12/31/91
	Karen Metcalf, VP for Financial Administration	107,000	n/a		
	Joyce M. Bove, VP for Grants and Special Projects	97,000	n/a		
Carnegie Corporation of New York	David A. Hamburg, President	400,000	99,497	981,014,472	9/30/91
	David Z. Robinson, Counselor to the President[1]	201,476	42,001		
	Barbara D. Finberg, Executive Vice-President	191,756	45,083		
Richard King Mellon Foundation (Pittsburgh)	Mason Walsh, Jr., Counsel	205,086	45,868	964,628,886	12/31/91
	Andrew W. Mathieson, Treasurer	161,172	44,218		
	George H. Taber, Vice-President	148,863	47,384		
Lila Wallace–Reader's Digest Fund (New York)	M. Christine DeVita, President[13]	94,950	14,678	821,550,514	12/31/91
	Jessica Chao, Program Director	73,539	14,539		
W. M. Keck Foundation (Los Angeles)	Howard B. Keck, Chairman	624,500	n/a	821,028,234	12/31/91
	Sandra Glass, Program Director	115,764	21,004		
	Joan Dubois, Program Officer	99,225	19,002		
Starr Foundation (New York)	T. C. Hsu, President	190,000	n/a	780,052,477	12/31/91
	Gladys R. Thomas, Vice-President	63,000	n/a		
Houston Endowment	H. J. Nelson, III, President	165,186	23,264	776,846,516	12/31/91
	Jo Murphy, Vice-President	163,256	14,601		
	Alvin R. Thigpen, Secretary	147,932	14,629		
Harry and Jeanette Weinberg Foundation (Baltimore)	Bernard Siegel, President	250,000	0	762,807,573	2/29/92
	Ted Gross, VP and Assistant Secretary	50,417	0		
William and Flora Hewlett Foundation (Menlo Park, Cal.)	Roger W. Heyns, President	180,000	42,305	752,712,800	12/31/91
	Marianne M. Pallotti, VP and Corporate Secretary	104,083	29,305		
	William F. Nichols, Treasurer	98,875	30,446		
Alfred P. Sloan Foundation (New York)	Ralph E. Gomory, President	292,500	0	727,641,989	12/31/91
	Arthur L. Singer, Vice-President	140,488	40,884		
	Stewart F. Campbell, Financial VP and Secretary	138,520	38,637		
David and Lucile Packard Foundation (Los Altos, Cal.)	Richard Behrman, Managing Director	189,150	37,483	718,175,870	12/31/91
	Colburn S. Wilbur, Executive Director	121,125	25,853		
	Jeffrey Leighton, Director of Finance	91,927	20,772		
Annie E. Casey Foundation (Greenwich, Conn.)	Douglas Nelson, Executive Director	191,201	16,173	666,840,353	12/31/91
	Kathleen Feely, Associate Director	120,185	12,441		
	Ira Cutler, Associate Director	120,067	10,713		

n/a Information not provided.
* No longer holds position.

[1] Also received $19,883 for expense account and other allowances.
[2] Compensation includes use of a car. Also received $13,351 for expense account and other allowances.
[3] Compensation includes use of a car and housing allowance.
[4] Compensation includes housing allowance.
[5] Compensation for serving as president of the foundation and Glenmede Corporation. Also includes $193,240 in Glenmede Corporation stock.
[6] Benefits include $27,120 for retirement supplement.
[7] Benefits include $25,000 bonus.
[8] Compensation for January-June 1991.
[9] Received total compensation of $116,600 as head of four related foundations.
[10] Received total compensation of $84,400 from four related foundations.
[11] Received total compensation of $49,335 from three related foundations.
[12] A total of 12 trustees received $112,567 each in compensation.
[13] Received total compensation of $217,500 from three related foundations.

	Officials	Compensation	Benefits	Assets	End of fiscal year
Howard Heinz Endowment (Pittsburgh)	Alfred W. Wishart, Jr., Executive Director[14]	69,717	2,351	629,894,770	12/31/91
	Jack E. Kime, Chief Financial Officer[15]	46,665	2,685		
James Irvine Foundation (San Francisco)	Dennis A. Collins, President	189,000	30,000	608,962,435	12/31/91
	Larry R. Fies, Treasurer and Corporate Secretary	138,500	27,700		
	Luz A. Vega, Director of Grants Program	86,250	17,250		
Knight Foundation (Miami)	Creed C. Black, President	247,584	n/a	605,039,445	12/31/91
	James Spaniolo, VP and Secretary	130,202	n/a		
	Timothy J. Crowe, Chief Financial Officer	92,892	n/a		
Freedom Forum (Arlington, Va.)[16]	Eugene C. Dorsey, Former President[17]	381,684	n/a	592,973,755	12/31/90
	Charles L. Overby, President	239,355	n/a		
	Gerald M. Sass, Senior Vice-President[18]	191,087	n/a		
Cleveland Foundation	Steven A. Minter, Director	146,000	18,538	573,012,252	12/31/90
	Susan N. Lajoie, Assistant Director	73,200	7,836		
	Philip T. Tobin, Treasurer	69,200	7,248		
Meadows Foundation (Dallas)	C. W. Meadows, Jr., President	204,704	24,146	558,831,722	12/31/91
	Sally Lancaster, Executive Vice-President	155,720	17,896		
	Robert E. Wise, VP and Treasurer	142,302	17,771		
Robert R. McCormick Tribune Foundation (Chicago)	Claude A. Smith, Executive Vice-President	110,000	17,376	550,665,389	12/31/91
	Neal Creighton, President	99,000	n/a		
J. E. and L. E. Mabee Foundation (Tulsa, Okla.)[19]	Joseph Hogard, Assistant Secretary	85,001	n/a	544,657,220	8/31/91
	John Conway, Trustee	23,000	n/a		
	John Cox, Trustee	23,000	n/a		
Joseph B. Whitehead Foundation (Atlanta)	Charles H. McTier, President[9]	24,600	3,690	520,538,063	12/31/91
	P. Russell Hardin, Secretary and Treasurer[10]	16,400	2,460		
	J. W. Jones, Chairman[11]	11,220	0		
Marin Community Foundation (Larkspur, Cal.)	Stephen Dobbs, President[20]	145,000	13,838	500,628,000	6/30/91
	Douglas Patiño, President*[21]	144,690	13,286		
	Mary K. McEachron, Associate Director and General Counsel	140,000	0		
Brown Foundation (Houston)	Katherine B. Dobelman, Executive Director	97,302	13,506	496,877,087	6/30/91
	Mary E. Oldham, Assistant Secretary	45,953	9,664		
	Deborah A. Marshall, Executive Assistant	34,050	2,003		
George Gund Foundation (Cleveland)[22]	David Bergholz, Executive Director	145,000	n/a	495,838,434	12/31/91
	Daniel E. Berry, Associate Director	80,250	n/a		
	Judith Simpson, Senior Program Officer	54,560	n/a		
Weingart Foundation (Los Angeles)[23]	Harry J. Volk, Chairman	172,000	14,941	477,826,421	6/30/92
	Charles Jacobson, President	131,100	44,931		
	Laurence Wolfe, Vice-President	121,850	45,370		
Conrad N. Hilton Foundation (Reno)	Donald H. Hubbs, President	228,333	25,555	457,415,744	2/29/92
	Patrick Modugno, Vice-President	101,507	11,673		
	Stephen M. Hilton, Vice-President	89,733	10,319		
Edna McConnell Clark Foundation (New York)	Peter D. Bell, President	240,670	29,369	430,642,840	9/30/91
	Patricia Carry Stewart, Vice-President	159,308	21,087		
	Peter W. Forsythe, Vice-President	150,579	19,473		
Bush Foundation (St. Paul)	Humphrey Doermann, President	190,000	25,830	428,332,547	11/30/91
	Stan Shepard, Senior Program Officer	109,833	13,805		
	Gerald Skogley, Business Manager	102,800	12,750		
Ahmanson Foundation (Beverly Hills, Cal.)	Robert H. Ahmanson, President	102,926	n/a	427,155,336	10/31/91
	Leonard E. Walcott, Jr., VP and Managing Director	87,927	n/a		
	Donald B. Stark, Treasurer	67,926	n/a		
Moody Foundation (Galveston, Tex.)	Robert E. Baker, Executive Administrator[24]	107,893	2,782	425,519,107	12/31/90
	Harold C. MacDonald, Comptroller	78,351	16,941		
	Douglas McLeod, Director of Development	75,781	8,746		
Horace W. Goldsmith Foundation (New York)	Robert R. Slaughter, Chief Executive	150,000	0	420,962,614	12/31/91
	James C. Slaughter, Managing Director	150,000	0		
	Robert Menschel, Managing Director	150,000	0		
Henry Luce Foundation (New York)	Robert E. Armstrong, President*	179,300	n/a	415,808,108	12/31/91
	Irwin Skolnick, Controller	98,000	n/a		
	Melissa S. Topping, VP and Secretary[25]	94,300	n/a		
Hall Family Foundations (Kansas City, Mo.)[26]	Donald J. Hall, Chairman	100	n/a	407,362,996	12/31/90
	William A. Hall, President	100	n/a		
	John A. MacDonald, VP and Treasurer	100	n/a		
Henry J. Kaiser Family Foundation (Menlo Park, Cal.)	Drew E. Altman, President[27]	201,390	139,387	406,117,069	12/31/91
	Bruce W. Madding, Vice-President	124,025	37,998		
	Hugh C. Burroughs, Vice-President	112,975	48,498		
William Penn Foundation (Philadelphia)	Bernard C. Watson, President	185,000	n/a	405,384,440	12/31/91
	Harry E. Cerino, Vice-President for Programs	109,872	n/a		
	Fran M. Cooperamith, Vice-President for Finance	89,572	n/a		
Longwood Foundation (Wilmington, Del.)[28]	Robert C. Barlow, Assistant Secretary	64,005	0	401,989,675	9/30/91
	Stephen A. Martinenza, Assistant Treasurer	33,885	0		
Joyce Foundation (Chicago)	Craig Kennedy, President*	137,500	0	398,421,376	12/31/91
	Linda K. Schelinski, Vice-President	63,000	0		
	Joel D. Getzendanner, Vice-President	62,000	0		
Samuel Roberts Noble Foundation (Ardmore, Okla.)	John F. Snodgrass, President*	272,100	5,975	387,739,488	10/31/91
	Michael A. Cawley, Executive Vice-President	175,667	0		
	M. K. Patterson, Vice-President	107,250	18,769		
Lynde and Harry Bradley Foundation (Milwaukee)	Michael S. Joyce, President	306,091	49,829	377,654,052	7/31/91
	Hillel G. Fradkin, Vice-President for Program	131,175	32,366		
	J. M. Neumann, Assistant Secretary	88,724	0		

n/a Information not provided.
* No longer holds position.

[14] Received total compensation of $108,979 from two related foundations.
[15] Received total compensation of $75,523 from two related foundations.
[16] Formerly Gannett Foundation.
[17] Compensation per severance agreement.
[18] Compensation includes $150,621 for relocation costs.
[19] A total of 7 trustees received $23,000 each in compensation.
[20] Started as president February 1991.
[21] Held position until November 1990.
[22] Numbers are preliminary. Benefit figures not yet available.
[23] Numbers are preliminary and have not yet been filed with the IRS.
[24] Received an additional payment of $263,954 for prior service commitments.
[25] Deceased.
[26] All employees paid by Hallmark Cards.
[27] Compensation includes $25,000 housing allowance. Benefits include $96,180 for relocation costs.
[28] Only two part-time employees.

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any, professional staff. The $402-million Longwood Foundation in Wilmington, Del., for example, lists only two paid employees on its 1991 tax return: a part-time assistant secretary, who made $64,005, and a part-time assistant treasurer, who made $33,885. The foundation's trustees are not paid.

The $251.4-million Clark Foundation in New York has no full-time professional staff members but pays a management company to oversee its investment and grants programs. The foundation employs about 75 people in Cooperstown, N.Y., where it runs a gymnasium for local residents and manages assorted real-estate holdings. The gymnasium's director is listed as the foundation's highest-paid employee, with a salary of $45,500 last year.

At several foundations, the top-paid employees were not grant makers.

The $256.8-million Herbert H. and Grace A. Dow Foundation in Midland, Mich., for example, listed Douglas J. Chapman, the horticulturist at a public garden operated by the foundation, as its highest wage earner, with a salary of $61,204 last year. The Dow foundation's president, Herbert H. Dow, received no compensation.

High Pay for Investment Chiefs

The surveys found a significant gap between the salaries paid to employees charged with generating the money and those who give it away.

Investment officers at private foundations had an average salary of $145,900, compared to $119,300 for vice-presidents who oversaw grant programs, according to the council.

Officials attribute that to the competitive market for people with financial and investment expertise. In addition, some foundations pay their investment officers a bonus based on the performance of stocks and other assets in their care.

At the Ford Foundation, John W. English, vice-president and chief investment officer, received $506,235 in total compensation last year, according to the foundation's tax return. Ford's vice-president in charge of the program division, Susan V. Berresford, made just over half as much—$287,699 in salary, benefits, and other allowances.

Effect of Incentives

At the Charles Stewart Mott Foundation, Robert E. Swaney, Jr., the vice-president in charge of investments, received $297,554 in total compensation—more than Mott's president, William S. White, who received $289,915.

Mr. White says that his base salary is higher than Mr. Swaney's but that Mr. Swaney, who oversees the management of Mott's $1-billion endowment, receives incentive compensation based largely on the performance of the portfolio.

Not all foundations had such pay differentials. At the W. K. Kellogg Foundation, for example, Norman A. Brown, the president and chief program officer, earned $231,847 in total compensation, while William W. Fritz, the vice-president for finance, earned $134,214 last year.

Mr. Fritz says that Ford, Mott,

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What Foundations Pay

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and some other foundations manage a larger share of their portfolio in-house than does Kellogg, and thus have to pay the market rate for money managers, which is considerably higher than the market rate for program directors.

Geography Plays a Role

The survey by the Council on Foundations also found that chief financial officers at private foundations earned far more on average than their counterparts at other types of philanthropies.

At private foundations, the median salary was $94,900—more than twice the median at corporate foundations ($47,000) and at community foundations ($40,000). Chief financial officers of public foundations earned a median salary of $49,300.

Again, geography and asset size appeared to influence pay levels, according to the survey.

The average salary for a chief financial officer at a foundation located in the West was $93,300; in the Northeast and Middle Atlantic States, $79,500; in the Midwest, $76,400; and in the South, $48,600.

The council found a larger discrepancy when it sorted the average chief financial officer's salary by the size of the foundation's assets. At the largest private funds, those with $250-million or more, the median salary was $105,000, compared to $40,200 at funds with less than $50-million in assets.

Parallels With Academe

The study suggested parallels between pay scales in organized philanthropy and academe, fields that have a significant level of employee crossover.

The median pay for foundation chief executives fell within $2,000 of that of university presidents, while program officers typically made about $4,000 less than associate professors. Executive recruiters and others say foundations and universities require many of the same qualities in their presidents: intellectual breadth, an ability to oversee an endowment, and a knack for managing a complicated non-profit organization.

The median salary for a program officer at a private foundation was $56,500; at a public foundation, $47,500; at a corporate foundation, $40,000; and at a community foundation, $38,000.

Program officers who work at foundations in the Northeast and Middle Atlantic States received $56,200 on average; in the Midwest, $54,200; in the West, $51,100; and in the South, $43,900. Program officers at the largest private foundations—those with $250-million or more in assets—earned a median salary of $58,900.

The median salary for program officers at all other private foundations hovered between $46,000 and $47,500.

Stephen G. Greene and Dan Joseph contributed to this article.

Salaries of Top Officials at the 100 Largest Foundations

	Officials	Compensation	Benefits	Assets	End of fiscal year
Lettie Pate Whitehead Foundation (Atlanta)	Charles H. McTier, President[9]	18,450	2,767	371,889,178	12/31/91
	P. Russell Hardin, Secretary and Treasurer[10]	12,300	1,845		
Arthur S. DeMoss Foundation (St. Davids, Pa.)	Nancy S. DeMoss, Chairman	114,250	9,500	365,815,075	12/31/90
	Robert G. DeMoss, President	94,500	9,500		
	John Bechtel, Project Manager	83,450	8,340		
Whitaker Foundation (Mechanicsburg, Pa.)	Miles J. Gibbons, Jr., President	160,520	9,480	365,152,660	12/31/91
	Peter G. Katona, Vice-President[29]	53,500	5,033		
	Mary F. Walsh, Office Administrator	48,095	5,040		
Skillman Foundation (Detroit)	Leonard W. Smith, President	155,000	20,307	363,741,264	12/31/91
	Jean E. Gregory, VP and Treasurer	80,000	10,481		
	Keri Schlachtenhaufen, Vice-President for Program	70,000	9,171		
William Randolph Hearst Foundation (New York)	Robert M. Frehse, Jr., Executive Director	115,723	0	352,277,537	12/31/91
	Thomas Eastham, VP and Western Director	76,728	0		
Connelly Foundation (West Conshohocken, Pa.)	Josephine C. Connelly, Chairwoman	50,000	n/a	332,160,762	12/31/91
	Josephine C. Mandeville, President	40,000	n/a		
	Emily L. Riley, Vice-President	30,000	n/a		
Surdna Foundation (New York)	Edward Skloot, Executive Director	220,000	18,500	329,991,327	6/30/91
	Marc deVenoge, Chief Financial Officer	56,550	0		
Rockefeller Brothers Fund (New York)	Colin G. Campbell, President	272,000	25,776	317,926,715	12/31/91
	Russell A. Phillips, Jr., Executive Vice-President	154,250	19,204		
	Benjamin R. Shute, Jr., Secretary and Treasurer	109,200	19,672		
Smith Richardson Foundation (New York)	R. Randolph Richardson, President	156,265	23,308	316,231,731	12/31/91
	Peter L. Richardson, Vice-President	144,929	25,171		
	R. Larry Coble, Treasurer	99,437	18,922		
Vira I. Heinz Endowment (Pittsburgh)	Alfred W. Wishart, Jr., Executive Director[14]	39,262	1,570	314,919,993	12/31/91
	Jack E. Kime, Chief Financial Officer[15]	28,858	1,777		
Commonwealth Fund (New York)	Margaret E. Mahoney, President	270,558	30,000	313,044,497	6/30/91
	John E. Craig, Jr., VP and Treasurer	180,595	30,000		
	Thomas W. Moloney, Senior Vice-President	180,335	30,000		
Robert A. Welch Foundation (Houston)	Norbert Dittrich, Executive Manager	97,500	2,700	302,765,612	8/31/91
	E. L. Wehner, President	84,167	n/a		
	Ron Page, Controller	56,550	1,475		
F. W. Olin Foundation (New York)	Lawrence W. Milas, President	177,792	n/a	302,209,005	12/31/91
	William B. Horn, Vice-President	100,800	n/a		
	William J. Schmidt, Treasurer	100,800	n/a		
William K. Warren Foundation (Tulsa, Okla.)[30]	W. E. Weeks, Chief Financial Officer	n/a	n/a	297,295,926	12/31/90
Champlin Foundations (Providence, R.I.)	David A. King, Executive Director	115,850	n/a	294,067,859	12/31/91
	Francis C. Carter, Committees Chairman	69,850	n/a		
John A. Hartford Foundation (New York)	Stephen C. Eyre, Executive Director and Treasurer	135,680	29,717	291,711,104	12/31/91
	Richard S. Sharpe, Program Director	110,822	26,891		
	Donna I. Regenstreif, Senior Program Officer	104,410	26,522		
Meyer Memorial Trust (Portland, Ore.)	Charles S. Rooks, Executive Director	148,947	30,213	284,745,919	3/31/92
	Wayne G. Pierson, Treasurer	102,286	21,000		
	Martha M. Lemke, Senior Program Officer	67,578	13,726		
Public Welfare Foundation (Washington)	C. Glenn Ihrig, Executive Director[31•]	78,793	0	284,197,379	10/31/91
	Larry Kressley, Acting Executive Director	70,282	14,056		
	Anne Townsend, Deputy Director	69,165	0		
McCune Foundation (Pittsburgh)	Earland I. Carlson, Executive Director*	105,422	20,025	264,761,380	9/30/91
	Martha J. Perry, Associate Executive Director	54,708	3,200		
Chicago Community Trust	Bruce L. Newman, Executive Director	190,000	24,717	261,527,033	9/30/91
	Cedric L. Chernick, Program Director	105,000	13,660		
	Elizabeth Hollander, Program Director	84,400	10,979		
Northwest Area Foundation (St. Paul)	Terry T. Saario, President	154,243	30,000	258,098,260	2/29/92
	Karl N. Stauber, VP for Programs	94,118	15,520		
	Sandra Hokanson, VP for Administration	67,108	8,767		
Herbert H. and Grace A. Dow Foundation (Midland, Mich.)	Douglas J. Chapman, Horticulturist & Administrator	61,204	4,092	256,789,291	12/31/91
	Dan Veresh, Associate Horticulturist	36,997	2,640		
M. J. Murdock Charitable Trust (Vancouver, Wash.)	James R. Martin, Chief Financial Officer	118,000	18,960	256,359,883	12/31/91
	Ford A. Anderson, II, Executive Director	98,000	7,839		
	Neal O. Thorpe, Senior Program Officer	73,417	5,640		

n/a Information not provided.
• No longer holds position.
[29] Compensation includes $10,000 for role as committee member.
[30] Copy of 990-PF submitted to IRS did not contain salary information due to an "oversight," according to the foundation's chief financial officer.
[31] Compensation covers nine-month period ending in July.

Setting—and Policing—Pay Is More Art Than Science

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dertook a study of more than 800 private funds.

The government found that they were in "substantial compliance" with tax laws, including one that limited the amount that foundations could spend on grant-making administrative expenses to 0.65 per cent of their assets. The study found no foundation that had had to pay a penalty tax for exceeding the limit.

Because of those findings and complaints by foundations that the regulations were complex and burdensome, Congress allowed the limit on administrative expenses to expire at the end of 1990.

Marc Owens, director of the IRS Exempt Organizations Technical Division, says the service does not have rigid rules about excessive salaries, but uses a number of factors in evaluating whether individual salaries are appropriate: the official's background and experience, his or her duties and contribution to the success of the foundation, the size of the foundation, the amount of time he or she devotes to foundation duties, and what people at similar organizations are being paid.

Excessive compensation, Mr. Owens says, "is not an easy case to make because the standards are so vague."

Salary Lawsuits Uncommon

"Simply having a high salary isn't going to be enough to carry the day, particularly if it has been negotiated at arm's length, the person has special talents, and the organization receives something in return," he adds. Mr. Owens says it is uncommon for the IRS to sue a foundation for paying excessive salaries.

Some believe that foundation pay should be judged by standards other than what the market or the IRS will allow.

David Bergholz, executive director of the George Gund Foundation, who earned $145,000 in 1991, says a key question that foundations should consider when setting compensation packages is, What message do they send to grant recipients and to the community at large? While foundations and nonprofits "deserve well-compensated leadership if it's good leadership," he argues, perquisites like country-club memberships might tarnish a foundation's charitable image.

"If you can look somebody straight in the eye and justify your

	Officials	Compensation	Benefits	Assets	End of fiscal year
Z. Smith Reynolds Foundation (Winston-Salem, N.C.)	Thomas W. Lambeth, Secretary & Executive Director	106,000	10,600	256,307,430	12/31/91
	Joseph E. Kilpatrick, Assistant Director	60,000	6,000		
Boston Foundation	Anna Faith Jones, President	159,038	22,708	254,149,726	6/30/91
	John F. Ramsey, Director, External Affairs*	73,711	10,716		
	Wendy D. Puriefoy, Executive Vice-President*[32]	65,385	8,375		
El Pomar Foundation (Colorado Springs)	William J. Hybl, Chairman and CEO	152,257	n/a	252,724,960	12/31/90
	R. Thayer Tutt, Jr., President	120,135	n/a		
	Robert J. Hilbert, Secretary and Treasurer	62,831	n/a		
Clark Foundation (New York)	G. Childs, Gymnasium Director	45,500	n/a	251,418,869	6/30/91
	Ed Gaynor, Property Operations	39,000	n/a		
Kate B. Reynolds Charitable Trust (Winston-Salem, N.C.)	Edwin W. Monroe, Executive Director*	125,000	25,000	249,805,179	8/31/91
	William Vance Frye, Assistant Director	57,500	14,375		
T. L. L. Temple Foundation (Lufkin, Tex.)	Phillip M. Leach, Trustee	76,333	0	249,768,416	11/30/91
	Buddy Zeagler, Controller	63,000	n/a		
	Arthur Temple, Chairman	41,470	0		
Sid W. Richardson Foundation (Fort Worth)	Valleau Wilkie, Jr., Executive Vice-President	131,100	n/a	248,700,330	12/31/91
	Cynthia K. Alexander, Business Manager	56,394	0		
	Jo Helen Rosacker, Associate Director	53,904	0		
James Graham Brown Foundation (Louisville, Ky.)	David E. Ferguson, President	152,281	0	232,270,106	12/31/91
	Ray E. Loper, Director of Timberland Operations	85,000	0		
	Stanley F. Hugenberg, Jr., Trustee[33]	58,575	0		
Alcoa Foundation (Pittsburgh)[34]	Earl Gadbery, President	n/a	n/a	232,145,394	12/31/90
	F. Worth Hobbs, Vice-President	n/a	n/a		
	Kathleen W. Buechel, Vice-President	n/a	n/a		
Colorado Trust (Denver)	Peter A. Konrad, Vice-President	90,998	11,337	231,900,406	12/31/91
	Bruce M. Rockwell, Executive Director[34]	78,124	9,765		
	Jean D. Merrick, Vice-President	78,096	9,729		
William R. Kenan, Jr. Charitable Trust (Chapel Hill, N.C.)[36]	n/a	n/a	n/a	227,387,656	12/31/90
San Francisco Foundation	Robert M. Fisher, Executive Director	132,500	19,875	226,099,474	6/30/91
	John Kreidler, Program Executive	71,419	10,713		
	Jane Rogers, Program Executive	60,000	9,000		
Spencer Foundation (Chicago)	Marion M. Faldet, VP and Secretary	129,867	34,887	225,161,975	3/31/92
	Patricia Albjerg Graham, President	93,483	15,377		
	Linda M. Schumacher, Treasurer	67,783	15,558		
Sherman Fairchild Foundation (Greenwich, Conn.)	Patricia Lydon, Vice-President	88,743	8,874	223,901,433	12/31/91
	Bonnie Himmelman, Executive Vice-President	44,609	1,309		
Peter Kiewit Foundation (Omaha)	Lyn Wallin Ziegenbein, Executive Director	77,499	13,791	219,831,687	6/30/90
	Richard L. Coyne, Vice-Chairman	68,810	n/a		
Communities Foundation of Texas (Dallas)	Edward M. Fjordbak, President	90,271	n/a	212,690,522	6/30/91
	J. Michael Redfearn, Controller	50,270	0		
	Charlotte Nelson, Director of Finance	46,770	0		
Andersen Foundation (Bayport, Minn.)[37]	Elizabeth Carlstrom, Assistant Secretary	4,384	0	209,995,194	12/31/90
Sarah Scaife Foundation (Pittsburgh)	Richard M. Larry, President	255,600	91,147	205,517,340	12/31/90
	R. Daniel McMichael, Secretary	222,000	119,450		
	Donald C. Sipp, VP and Treasurer	106,104	43,379		
Koret Foundation (San Francisco)	Jack R. Curley, Treasurer and Assistant Secretary	84,660	15,644	192,544,174	12/31/91
	Michael A. Papo, Executive Director[38]	61,134	0		
	Michael Kesselman, Program Officer	56,748	5,311		
Morris and Gwendolyn Cafritz Foundation (Washington)	Martin Atlas, President	237,778	0	187,803,268	4/30/91
	Anne Allen, Executive Director	61,730	0		
Nathan Cummings Foundation (New York)	Charles R. Halpern, President	165,414	30,000	187,386,927	12/31/90
	Ellen Lazarus, Treasurer	119,179	21,745		
	Elizabeth Leiman, Assistant Secretary	52,628	7,969		
Lucille P. Markey Charitable Trust (Miami)	Robert J. Glaser, Director for Medical Science	244,204	38,783	184,867,806	6/30/91
	Louis J. Hector, Chairman	177,200	28,643		
	John H. Dickason, VP for Finance	166,000	48,942		

n/a Information not provided.
* No longer holds position.
[32] Compensation covers eight-month period ending in April.
[33] Compensation includes $45,375 for management fees on environmental issues and $13,200 for serving as trustee.
[34] No employees listed. The foundation reimbursed the Aluminum Company of America $375,675 in compensation for four officers and three employees.
[35] Retired April 1991. Current executive director, John R. Moran, Jr., started August 1991 and earned $48,875 for the last five months of that year.
[36] Formed as a split-interest trust prior to 1969 and is therefore exempt from filing tax form 990-PF.
[37] All other employees paid by Andersen Corporation.
[38] Hired in June 1991. Compensation is for a six-month period.

SOURCE: 990-PF tax forms

salary, then I think it's perfectly legitimate," says Richard McDonough, founder and president of Hotels/Motels in Partnership, a Phoenix charity that tries to link people in need of emergency shelter with donated lodging. "If you can't look somebody in the eye and justify it and make no apologies, then it's a problem," adds Mr. McDonough, who earns $41,000. He says that if foundation executives are in that line of work "for the public good, then their salaries should reflect it."

Some charity officials who earn far less than the top-paid foundation officials don't begrudge the grant makers their big salaries.

"I don't have a problem with the head of a major foundation making four or five hundred thousand dollars if that person is generating a hundred or two hundred million back into the non-profit community of this country," says Larry Walton, president of United Way Services in Richmond. "That's a good investment."

Competition for Executives

Others say the problem isn't that foundation salaries are too high but that charity pay is too low. "It's probably more important to place the emphasis on improving salaries of very valuable non-profit managers," says Charles S. Rooks, executive director of the Meyer Memorial Trust in Portland, Ore.

And the competition that foundations face in trying to lure executives with broad experience in financial and personnel management, as well as a degree of intellectual breadth, should not be underestimated, say trustees.

"I've never chosen one where there weren't substantial options for those people," says Mr. Champion, the former Kaiser chairman. To stay in competition with research institutions and universities means paying something over $200,000, adds Mr. Champion, who presided over the hiring in 1990 of Drew E. Altman, a former program director at the Pew Charitable Trusts, to run Kaiser.

"I knew we were in competition for Drew," Mr. Champion says. "I knew of at least one other offer that it would be important for us to meet if we wanted to get him." Mr. Altman made $201,390 last year and received $139,387 in relocation assistance and other benefits.

Mr. Joyce of the Bradley Foundation says that grant makers should not stay in their jobs indefinitely, and that trustees should compensate presidents accordingly. "If you're going to have top people who are not going to be there for a long time," he says, "you have to find ways to attract them and allow them to go without a large financial handicap."

—KRISTIN A. GOSS, STEPHEN G. GREENE, AND JENNIFER MOORE

Few Funds Made It Difficult to See Tax Forms

Although the presidents of the nation's wealthiest foundations may prefer not to see their salaries published in the newspaper, most of them made it easy to obtain the information.

The Chronicle asked 97 of the 100 wealthiest private and community foundations to mail in a copy of their most-recent informational tax return, Form 990 or 990-PF, including schedules containing information on salaries paid to officers, directors, employees, and outside professionals. (Two foundations were not asked because *The Chronicle* already had copies of their most-recent forms; one is a split-interest trust that does not file a publicly available tax form.)

Of those that were asked:

► Seventy-two mailed, faxed, or otherwise delivered their most-recent forms, including salary information. Some required a bit of prodding, but they still went beyond what the federal public-disclosure law requires. Under the Internal Revenue Code, a private foundation must permit public inspection of its 990-PF at the foundation's office for 180 days after publishing a notice in a local newspaper that the form is available.

► Twenty-one foundations required a reporter to visit their offices to view the salary information. Of those, eight declined to allow photocopying of the form and required a reporter to take down financial information by hand.

► Four foundations would not permit public inspection of their tax returns. Two—the Peter Kiewit Foundation and the Kate B. Reynolds Charitable Trust—said they would not make their forms available because the legally required 180-day period for public inspection had expired. The other two—the Sarah Scaife and William K. Warren Foundations—made it impossible for reporters to set a time to view the documents.

A July 21 letter to Richard M. Larry, president of the Pittsburgh-based Sarah Scaife Foundation, requesting a copy of the 990-PF went unanswered, as did repeated follow-up phone calls. After a representative of *The Chronicle* called the foundation to alert officials that he would be stopping by to see the 990-PF, he was turned away in the lobby of the office building by a foundation security officer.

On a second visit, the *Chronicle* representative was again turned away. The security officer said that Mr. Larry's office had told him not to allow the representative into the foundation offices because he did not have an appointment.

Mr. Larry received $346,747 in salary and benefits in 1990, according to tax forms on file at the Foundation Center.

At the William K. Warren Foundation in Tulsa, Bill Weeks, the chief financial officer, said that the foundation would not send its tax form in the mail but that *The Chronicle* could send someone to view the return at the foundation's

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Few Funds Made It Difficult to See Tax Forms

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office. When a *Chronicle* representative called Mr. Weeks on the day he had suggested, and on the following day, to set an appointment, her calls were not returned. When she showed up at the foundation's office, she was turned away by a security guard.

The Warren Foundation omitted salary figures for its officers and employees on its 1990 tax return, which was submitted to the IRS. Mr. Weeks said the omission had been an "oversight" that the foundation was taking steps to correct.

While he would not comment on specific foundations, Marc Owens, director of the Exempt Organizations Technical Division at the Internal Revenue Service, said the purpose of the disclosure law was to insure that the public had ready access to foundations' financial information.

"Unreasonable constraints may be viewed as that the return is not readily available," he said. "If appointments are never available, it looks like the return is not being made public."

'Just Good Citizenship'

Such incidents notwithstanding, the vast majority of foundations sent their forms in without expressing reservations. "It's public in the first place, so to be uncooperative defeats the spirit of the publicity requirement," said Jack R. Curley, treasurer of the Koret Foundation. "I think it's just good citizenship for a foundation to be open in its affairs."

However, some of the foundation officials who cooperated said they did so with some reluctance. Many said they believed the tax form was so complicated that it could easily be misinterpreted. What's more, some foundation officials charged that disclosure of employees' salaries served the interest of public curiosity more than public accountability. They also worried that disclosing salaries could hurt employee morale.

The Skillman Foundation in Detroit sent its 990-PF without salary information. Leonard Smith, the foundation's president, supplied his 1992 salary ($165,000) over the phone and permitted a reporter to visit the office and obtain other figures from the tax form. Mr. Smith said he was reluctant to go beyond what the law required and send Skillman's salary schedules because he said that would put him in a position of voluntarily infringing on his employees' privacy.

Council Urges Cooperation

The Council on Foundations, which represents 1,200 of the nation's foundations, sent letters to its members, urging them to send their tax forms to *The Chronicle*.

James A. Joseph, the council's president, acknowledged that foundations had to deal with "competing claims of public accountability and the rights of your employees to a reasonable degree of privacy" but said that "failure to cooperate could provide fuel for yet another article alleging that foundations do not practice what they preach," an apparent allusion to newspaper stories in the wake of recent controversy at the United Way of America that have detailed the reluctance of some charities to permit public inspection of their tax returns. —KRISTIN A. GOSS AND JENNIFER MOORE

Scouts' Exclusion of Gay Members Wins Support From Republicans

By HOLLY HALL

The Boy Scouts' national policy of excluding homosexuals and atheists from membership is attracting increasing attention from both supporters and critics.

The Boy Scouts of America says it bans gay members because they don't fulfill the group's requirement that members be "morally straight" and "clean " Scout policy also requires all members to pledge their "duty to God."

In recent developments:

► The Republican Party, in its election-year platform, supported the Boy Scout policy and criticized several corporations for ceasing donations to the youth organization because of its ban on homosexuals.

The party's platform said Republicans "reject the irresponsible position of those corporations that have cut off contributions to such organizations because of their courageous stand for family values."

► About 20 Republican Congressmen, led by Rep. Dana Rohrabacher of California, held a press conference in Washington to urge consumers to boycott companies that withdrew aid to the Scouts. The Scouts "have a right to set their own religious and moral standards," said Mr. Rohrabacher.

► One company that cut off aid to the Scouts because of its policy on homosexuals, the BankAmerica Corporation in San Francisco, has reversed its decision. The company announced last month that it would resume its contributions to the youth group because the Scouts, "being open to all boys, which is the class it is designed to serve, meets the bank's contribution criteria."

► The St. Louis chapter of Queer Nation, a gay-activist group, is planning to ask the United Way of Greater St. Louis to withdraw its support for the Boy Scouts. The board of the United Way has said it planned to continue giving to the Scouts.

As criticism of the Scouts mounts, the national organization is losing its leader.

Ben H. Love, who has been chief scout executive since 1985, announced his decision to retire last month at a meeting of senior Scout executives. Mr. Love, 62, could not be reached for comment, but Boy Scout officials said his decision to step down was motivated by his desire to spend time with his family.

Salaries of Welfare Chiefs Average $127,300

Chief executives at health and social-welfare organizations earn an average of $127,300, according to a new survey of compensation at U.S. non-profits.

Their counterparts at education organizations receive salaries averaging $130,500, while those who head trade or professional associations make $191,500 and $126,200 a year, respectively, says the report, published by Towers Perrin, a management consulting company.

The survey includes data from 311 non-profit organizations. About 30 per cent of them are based in Washington, and another 20 per cent are in Maryland or Virginia; 15 per cent are in the New York City metropolitan area, and the remainder are scattered across the country.

Increases Outpace Inflation

The 48 health and welfare organizations that participated in the survey range from the East Coast Migrant Head Start Project and the United Way of Massachusetts Bay to the American Cancer Society, American Red Cross, National Easter Seal Society, and Planned Parenthood Federation of America.

The 38 groups classified as education organizations include the American Council on Education, the Carnegie Endowment for International Peace, the Council on Foundations, Independent Sector, Junior Achievement, and the National Arbor Day Foundation.

Other findings of the survey:

► The average salary increase for top executives among all groups in the survey was 7.6 per cent in 1992, compared with 8.1 per cent in 1991. Last year's inflation rate for consumer goods was 3.1 per cent.

► Top executives' average salaries were highest ($171,700) in Washington, which is home to many trade associations, followed by Chicago ($163,100) and New York City ($162,800).

► Chief executives' salaries rose with the size of their organizations: from an average of $82,600 for people heading groups with budgets of less than $1-million, to $121,400 for executives of groups with budgets between $2-million and $5-million (a plurality of those surveyed), to $213,500 for those heading groups with budgets of $20-million or more. Among top executives, the lowest salary reported was $56,400; the highest was $470,000.

► About 97 per cent of participating organizations reported having a program of medical benefits; the average annual deductible was $215, and the average maximum out-of-pocket expense for employees was $1,400. Sixty per cent of the groups said they had not increased deductibles in the last three years.

Copies of the "1992 Compensation Survey Report of Management Positions in Not-for-Profit Organizations" are available for $200 each, prepaid. Contact Lyn McCloskey at Towers Perrin, 1001 19th Street North, Suite 1500, Rosslyn, Va. 22209; (703) 351-4749.

—STEPHEN G. GREENE

Average Salaries of Non-Profit Officials

	Trade associations	Professional associations	Education organizations	Health and welfare organizations	Other	All
Chief executive officer	$191,500	$126,200	$130,500	$127,300	$158,100	$147,800
Deputy executive officer	117,800	97,400	87,200	98,400	111,700	102,700
Executive assistant	41,500	36,000	36,700	38,300	40,900	38,600
Top administrative position	84,100	70,400	65,100	72,500	85,400	75,700
Top financial position	72,900	57,200	62,600	63,100	72,100	64,600
Top management-information-systems position	59,200	53,800	53,600	55,800	64,600	57,300
Facility position	51,700	43,500	39,600	41,400	49,000	45,400
Office manager	38,500	35,700	31,300	28,000	34,100	34,000
Top personnel position	64,400	55,300	55,500	55,600	64,200	59,100
Top legal position	131,700	96,500	92,000	85,400	100,100	106,700
Top field-services position	118,800	60,400	63,900	72,700	82,100	76,200
Regional-office head	65,000	81,400	62,300	59,100	70,500	65,200
Top government-relations position	120,800	91,700	70,600	74,100	84,400	98,300
Federal-relations position	74,600	64,800	58,800	44,300	92,600	67,300
Legislative network position	55,100	44,600	45,400	41,800	45,900	48,000
Top communications position	83,000	66,600	64,700	61,500	69,600	70,400
Top public-relations position	78,600	56,900	56,800	60,200	64,100	64,500
Public-relations position	51,400	37,800	39,800	40,900	45,900	43,100
Top editorial position	60,900	59,900	64,600	50,000	65,500	60,500
Managing editor (journals & books)	47,200	41,500	44,900	39,000	49,400	44,000
Managing editor (newsletters)	41,400	35,600	34,800	40,100	36,100	37,500
Editor	35,800	30,500	31,200	30,000	33,200	31,700
Art director	41,400	39,400	37,400	42,200	45,900	41,300
Production position	39,700	36,300	37,000	38,900	35,000	37,100
Fulfillment position	33,200	31,900	29,300	37,500	37,100	33,400
Information-services position	41,700	43,600	39,100	39,400	46,500	42,300
Top marketing position	68,500	53,800	47,900	67,600	65,300	59,700
Top membership position	60,900	52,400	46,400	60,200	58,300	55,400
Member-services position	39,400	39,000	35,400	38,300	41,500	38,800
Membership-records position	29,500	28,300	30,000	33,200	28,200	29,200
Top convention & meeting position	64,500	53,000	50,300	40,800	52,200	54,300
Program planner (meetings)	43,200	32,600	37,200	38,100	40,600	37,700
Meetings planner	36,600	32,500	30,500	37,800	32,600	33,700
Top program position	93,800	57,700	65,100	64,600	78,400	70,200
Program-staff position	52,900	35,100	36,800	41,300	47,400	41,300
Top professional-education position	61,200	57,000	60,100	64,600	67,500	59,600
Top public-education position	80,300	58,600	—	48,600	45,500	55,900
Top scientific-research position	97,900	71,600	60,300	90,400	93,100	86,000
Top development position	68,900	63,000	83,400	75,100	75,000	72,600
Fund raising/grant position	56,500	29,600	53,300	49,000	40,600	44,800

SOURCE: Towers Perrin